

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of )

Telephone Number Portability )

CC Docket No. 95-116  
Rm 8535

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COMMENTS OF SCHERERS COMMUNICATIONS GROUP  
INC., REGARDING THE IMPLEMENTATION OF  
TELEPHONE NUMBER PORTABILITY FOR  
GEOGRAPHIC, 900, AND 500 NUMBERS

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**I. INTRODUCTION**

On July 13, 1995, the Federal Communications Commission issued CC Docket No. 95-116 to obtain comments and information concerning number portability. In the document, the Commission tentatively concluded that the portability of both geographic and non-geographic numbers is beneficial to users. Prior to issuance of the Commission's Report and Order, pursuant to procedures set forth in Section 1.415 and 1.419 of the Commission's Rules, 47 C.F.R., paragraphs 1.415 and 1.419, interested parties may file comments on the on this proposal.

**II. BACKGROUND**

Scherers Communications Group, Inc. (SCG), a certified interexchange carrier, offers long distance service throughout the United States. Services offered by SCG include 500, 800, and 900 Call Transport. These services are provided by resale of other major carrier services. Therefore, SCG qualifies both as an interested party and a large volume customer of the services involved.

**III. COMMENTS-GEOGRAPHIC TELEPHONE NUMBERS**

SCG agrees with the Commission's conclusion that geographic telephone number portability would be beneficial to users and that the Commission should assume a leadership role in developing a national policy for its implementation. Local service competition cannot progress without the assurance to customers that they will be able to maintain their same telephone number when changing to a different local exchange company. For businesses, corporate identity and customer recognition is often tied to a telephone number that has been used for many years. In addition, advertising and operating expenses would be affected should a business customer need to change his or

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her letterhead, business cards, etc., when changing the company's telephone number. Residence customers would also be inconvenienced if a telephone number change is necessary to change carriers. This situation would become a roadblock to local competition. During a recent Telecommunications Professionals Association meeting in Columbus, Ohio, geographic telephone number portability was the single most important issue related to local exchange competition.

Several issues point to the implementation of portability only within a local calling area. First of all, porting telephone numbers across area codes would limit the number of telephone number resources available within area codes. In addition, identical telephone numbers are already in use in all area codes. Billing for local and long distance calls would also pose a problem if portability is extended beyond the local calling area. An alternate billing system must be developed. Finally, 9-1-1 systems would require costly data base updates that local governments can ill afford. The potential for error and lengthy delays in responses would also become problems.

Billing for toll calls would also become an issue if portability is extended beyond the local calling area. In order to bill for calls correctly, it would be necessary to assign additional numbers to the customer location. Once again, resources would become limited by this arrangement.

Both of these issues can be addressed by using the Line Information Data Base (LIDB). We believe that this system is currently being tested in Portland, Oregon, in an effort to implement local exchange competition. LIDB can be used to confirm the "local" LEC for both delivery and billing of the call. It can be implemented quickly and with little development cost. However, the actual cost of use must be reduced in order to economically provide the service. With the increase in volume for access, SCG believes that this reduction is feasible.

A nationwide data base would be the most efficient and cost-effective way to administer the resource. The AT&T and MCI proposals both recommend this option. Several benefits would be realized from their recommendations. First of all, a single system would be maintained with common characteristics and procedures. This aspect would allow companies to function anywhere in the United States without the confusion of diverse systems. Secondly, the costs of maintaining such a system would be spread over a larger number of users, resulting in less costs for those users involved. However, SCG diverges from their recommendations that portability be available on a state or regional basis. As previously stated, SCG recommends portability only within a local calling area.

The type of database used for 800 portability would be useful for geographic number portability. Therefore, the cost information should be readily available from previous cost determinations. SCG does recommend that all portable numbers, geographic and non-geographic, are distributed through the same data base to ensure consistency and cost efficiency. SCG agrees that the Commission should take an active

role in the implementation. However, some states have already addressed geographic number portability in their rulings for Local Exchange Competition. Therefore, any implementation efforts by the Commission should be instituted quickly with an established deadline for completion. In addition, technical and performance standards can be developed to satisfy all potential users. SCG believes that the Commission should intervene to develop a consistent solution nationwide.

SCG recommends that the costs of the above system are distributed based upon usage, just as the 800 Data Base is currently financed. By determining total costs and the total amount of numbers available, a per telephone number rate can be established and imposed upon each user of the system. This system of billing is the most fair and based upon actual usage of the system.

In order to develop a system that addresses the needs of all service providers, SCG recommends that an industry task force be established under the Commission's guidance to develop and implement the system. This type of arrangement has been utilized in the past with varying degrees of success. However, the experience and knowledge supplied by such a group would expedite decisions and activities necessary to implement the system. SCG is concerned about interim solutions to portability. Because of the costs of providing any of the options listed, competition in local exchange markets will be severely limited. Therefore, SCG supports very strict and timely deadlines for implementation of a national database.

#### **IV. COMMENTS - NON-GEOGRAPHIC TELEPHONE NUMBERS**

SCG does not agree with the conclusion that portability for 900 and 500 numbers is beneficial for customers of those services. These numbers are unique due to the billing for calls made to the numbers. In order to offer portability for them, it will be necessary to address the billing issues raised. In addition, it has not been determined that 900 portability will lower prices and stimulate demand.

Initially, customers may view portability for non-geographic telephone numbers as beneficial to competition. 900 and 500 telephone numbers are considered a valuable asset. They will be able to switch service providers when poor service is provided without losing established numbers. Advertising investments would be protected, because changes in numbers would not be required for changes in providers.

Recourse has always been an issue for any pay-per-call service. Currently, service providers as well as billers are maintaining funds to guarantee coverage of any bad debt. If portability is implemented, both groups will require large advance payments to insure against any losses. Therefore, rates for such services may decrease as a result of competition, but initial fees and advance payments will increase due to the negative baggage attached to such numbers. In this scenario, new entrants would be limited and changes to new providers would be discouraged. It is unlikely that service providers and billers will risk their financial stability to promote competition. While 500 numbers are

not in widespread use at this time, it is possible that the same issues would apply to PCS N00 services. These numbers differ from other non-geographic telephone numbers(800), because 800 numbers do not result in recourse for charges.

SCG does recommend that assignments by NXX be discontinued. Network technology has improved so that routing can be based upon the last four digits of the called number. In cases where this is not currently possible, it will be necessary to upgrade switches soon to accommodate local exchange competition. Therefore, the cost of such an upgrade would be minimized.

If the Commission does order portability for non-geographic telephone numbers, SCG recommends that the same centralized data base if utilized for all portable numbers. Once again, this option appears to be the most effective use of resources at the lowest cost. Costs can be covered on a system usage basis, probably a per number rate.

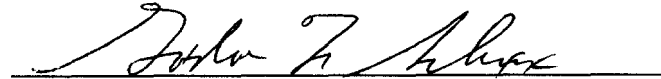
## **V. CONCLUSION**

SCG agrees with the initial Commission conclusion that geographic telephone number portability would be beneficial to the user and the competitive marketplace. Further, SCG believes that the Commission should take an active role in mandating portability, establishing an industry group to implement portability, and imposing deadlines to expedite the establishment of a centralized data base for this resource.

SCG does not agree with the initial Commission conclusion that non-geographic telephone number portability would be beneficial to users of the service or in the public interest. Issues unrelated to other services would impose financial roadblocks. However, if the Commission does elect to make non-geographic telephone numbers portable, SCG agrees with both MCI and AT&T that a centralized data base would be the most efficient means of controlling the resource.

Respectfully submitted,

SCHERERS COMMUNICATIONS GROUP, INC.



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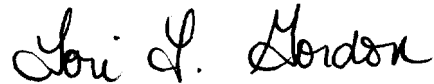
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**CERTIFICATE OF SERVICE**

I herby certify that a copy of the foregoing was serviced upon the following parties as shown on the attached service list by regular U.S. mail, postage prepaid, this 7th day of September, 1995.

A handwritten signature in cursive script, reading "Susan Drombetta", written over a horizontal line.

Susan Drombetta

A handwritten signature in cursive script, reading "Lori L. Gordon".

Lori L. Gordon

Notary Public, State of Ohio

My commission expires 5-8-2000

**SERVICE LIST**

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